



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC BOARD PROPOSES RULE ON PRIVACY OF CONSUMER INFORMATION

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) today joined other federal regulators in proposing a rule that would establish the minimum requirements to be followed by state nonmember banks and certain other financial institutions for protecting the privacy of financial information provided to the institutions by consumers.

The proposed regulation was developed jointly by the FDIC, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, the Department of the Treasury, the Securities and Exchange Commission, the National Credit Union Administration and the Federal Trade Commission. Similar regulations are being proposed by those agencies.

The FDIC's proposed regulation would require a financial institution to:

- Provide notice to customers about its privacy policies and practices;
- Describe the conditions under which a financial institution may disclose nonpublic personal information about consumers to nonaffiliated third parties; and
- Provide a method for consumers to prevent the financial institution from disclosing that information to nonaffiliated third parties by "opting out" of that disclosure.

The proposed privacy regulation, which was developed in consultation with the National Association of Insurance Commissioners, is called for by the Gramm-Leach-Bliley Act. A draft of the proposal can be accessed through the FDIC's home page (www.fdic.gov). The final text of the proposal will be available on the agency's Web site immediately following its publication in the Federal Register.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-9-2000

The FDIC will accept comments on the proposal through March 31, 2000. In conjunction with this proposal, the FDIC has developed a new Electronic Public Comment (EPC) Internet site accessible directly from the FDIC home page. This new EPC site enables the public to provide both general comments and answer specific questions posed by the notice of proposed rulemaking. EPC users obtain immediate access to relevant portions of the proposed rule and explanatory language. Traditional written comments also will be accepted.